

CIA 4-01.1 (Kaplan Fund)

CIA 4 (Kaplan Fund)

CIA 2-04.3

CIA 1-02 Carter, Marshall S.

PERS: Patman, Wright (Rep.) 25X

A22WX

(440) PMS BUDGET
FOUNDATIONS

BY EDMOND LEBRETON

ASSOCIATED PRESS WRITER

WASHINGTON, SEPT. 1 (AP)—CONGRESSIONAL INVESTIGATORS SHIFTED THEIR COURSE TODAY AFTER HEARING THAT THE CENTRAL INTELLIGENCE AGENCY HAD CHanneled SOME OF ITS SECRET SPENDING THROUGH A PRIVATE FOUNDATION.

LITTLE WAS HEARD OF THE HUSH-HUSH OPERATION BEYOND TESTIMONY THAT OFFICIAL FUNDS WERE SPENT THROUGH THE J. M. KAPLAN FUND, A TAX-EXEMPT FOUNDATION. THE AMOUNT OF THE MONEY AND ITS DESTINATION WERE NOT DISCLOSED.

THE HOUSE SMALL BUSINESS SUBCOMMITTEE TURNS TODAY, INSTEAD, TO FOUNDATIONS ASSOCIATED WITH TEXAS MILLIONAIRE H. L. HUNT.

THE BRIEF TESTIMONY ABOUT CIA FUNDS, BROUGHT OUT FROM RELUCTANT INTERNAL REVENUE SERVICE WITNESSES YESTERDAY, RESULTED IN AN HOUR-LONG, CLOSED-DOOR SESSION LATER OF SUBCOMMITTEE MEMBERS WITH THE REVENUE OFFICIALS AND LT. GEN. MARSHALL S. CARTER, DEPUTY CIA DIRECTOR.

AFTERWARD, THE SUBCOMMITTEE CHAIRMAN, REP. WRIGHT PATMAN, D-TEX., TOLD NEWSMEN HIS GROUP WOULD NOT FURTHER PURSUE THE CIA ASPECTS OF KAPLAN FUND AFFAIRS. THE SUBCOMMITTEE IS INVESTIGATING THE FUND ALONG WITH OTHERS IN ITS STUDY OF TAX EXEMPTION FOR CHARITABLE FOUNDATIONS.

"WE ARE CONVINCED THE CIA DOES NOT BELONG IN THIS FOUNDATION INVESTIGATION . . . " PATMAN SAID AFTER THE CONFERENCE. "WE ARE DROPPING IT SO FAR AS THE CIA IS CONCERNED."

PATMAN SAID, HOWEVER, THE TESTIMONY TAKEN HAD NOT BEEN CONTRADICTED AND WOULD STAND--AND THAT THE SUBCOMMITTEE WOULD CONTINUE LATER ITS INVESTIGATION OF THE KAPLAN FUND. HE HAS SAID ITS FOUNDER HAS "WAGED A NUMBER OF BATTLES" TO TAKE OVER COMPANIES, IN SOME CASES USING "FUNDS SET UP AND DOMINATED BY HIM."

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